

HEALTH RESOURCES AND SERVICES ADMINISTRATION

(Dollars in millions)

	1995 <u>Actual</u>	1996 <u>Policy*</u>	1997 <u>Request</u>	Request <u>+/-Policy</u>
Program Level	\$3,042	\$3,091	\$3,122	+\$31
Budget Authority	3,031	3,083	3,116	+33
Outlays	2,455	2,803	2,979	+176
FTE	2,010	2,010	2,010	0

* Based on levels of the ninth CR, including an incremental policy adjustment.

Summary

The FY 1997 budget request for the Health Resources and Services Administration (HRSA) is \$3.1 billion. HRSA is responsible for developing primary health care services and resources, providing access to health care for the medically underserved, protecting and improving the health of all mothers and children, and maintaining a high quality of health care nationally. As managed care is becoming an increasingly important component of health care delivery at the State and local level across the United States and medically underserved populations served by HRSA programs are being directed into managed care, HRSA is addressing these changes.

HRSA has established a Center for Managed Care to coordinate activities across HRSA and has initiated new efforts to ensure that HRSA funded programs are active and knowledgeable participants in managed care systems, that managed care providers are aware of and actively attempting to meet the needs of underserved populations, and that an appropriately trained primary care workforce exists to provide services in managed care settings. HRSA has supported the creation of networks for managed care to assure that its health centers and other HRSA grantees can negotiate arrangements with State Medicaid agencies and HMOs. HRSA has offered over 100 managed care training sessions in medical management, information systems, contract negotiations, and financial risk assessment. In addition, special training programs have been offered to providers of care for special populations--HIV infected individuals, mothers and children, and the homeless--tailored to their specific needs.

Ryan White

The Ryan White AIDS CARE Act has enabled over 300,000 individuals with HIV and AIDS to receive health and supportive services, allowing many, who would have died, to live and lead productive lives. The FY 1997 request of \$807 million for the Ryan White activities, a \$32 million, or 4 percent increase over the FY 1996 level, continues our commitment to improve the quality and availability of care for individuals and families with HIV and AIDS. This request includes an additional \$17 million for Emergency Relief for Cities (Title I) to ensure that each of the 42 metropolitan communities funded in FY 1995 and the up to ten additional cities eligible in FY 1996 will receive the same formula grant as well as provide funds to any newly eligible communities in FY 1997. Included in the request is \$285 million, or a 4 percent increase, for formula grants to States to improve services in areas with critical gaps for underserved and hard to reach populations, as well as to augment States' flexibility in selecting pharmaceuticals. A total of \$64 million, or a 3 percent increase, is requested in discretionary grants to allow an additional five to ten thousand individuals who are infected with, or at-risk of, HIV infection to receive primary care services. For Title IV pediatric projects, a total of \$34 million is requested, a 6 percent increase, which will provide enhanced services for preventing maternal HIV transmission.

On March 5, 1996, the President proposed a \$52 million budget amendment for the AIDS Drug Assistance Program (ADAP). The ADAP program provides AIDS drugs that prolong and enhance the quality of life for the over 55,000 individuals currently enrolled. This increase is needed to assist States in making available to patients the long-anticipated new class of AIDS drugs, protease inhibitors, as soon as they are approved by the FDA. Protease inhibitors, used in combination with already approved AIDS drugs, are expected to improve the length and quality of life for individuals suffering from AIDS.

Consolidated Health Centers

The FY 1997 request for the Consolidated Health Centers cluster provides \$757 million for grants to local health centers which serve vulnerable underserved populations, including migrant workers, homeless individuals, and residents of public housing. This funding level maintains our commitment to ensure that the most vulnerable of our populations receive quality health care. These community-based centers provide accessible, quality, primary health care to more than 8.1 million medically underserved individuals--44 percent of whom are children--through over 720 grantees at 2,204 sites nationwide. Today, over 150 health centers are involved in managed care contracting throughout the Nation, primarily serving Medicaid managed care patients.

Health Professions

The FY 1997 budget request for health professions programs is \$366 million. HRSA is continuing to propose consolidation of numerous separate health professions training programs into five clusters over a period of three years. The cluster strategy allows greater flexibility in effectively responding to emerging health workforce challenges. The clusters will enhance our ability to assist students financially, encourage expansion of

multi-disciplinary, outcome-oriented primary care training, as well as bring simplicity to the administrative processes of application submission and grant issuance.

- The Health Professions Workforce cluster (\$117 million) will merge six student assistance programs into one program, providing student assistance through obligated financial assistance, non-service subsidized loans, and non-service market rate loans, as well as focus on national workforce research and data efforts. This cluster will include the entire National Health Service Corps.
- The Enhanced Area Health Education Training cluster (\$35 million) incorporates eight categorical programs into one program which will require the formation of consortia to link educational systems with States, communities and employers to expand the operation of interdisciplinary, outcome-oriented training. This critical effort ties medical education to the service needs of the underserved. It provides benefits to those being trained so that they receive solid grounding in practical health care. It also provides benefits to States and communities by providing knowledgeable individuals prepared to deal with the health issues they face.
- The Minority and Disadvantaged Health cluster (\$64 million) consolidates seven programs into one program which will support targeted, outcome-oriented activities that increase the number of minority and disadvantaged health professionals. This program will help advance the development of human potential and strengthen the capacity of Historically Black Colleges and Universities and Hispanic Serving Institutions. This cluster will eliminate restrictive eligibility and project requirements while increasing flexibility in responding to minority health needs.
- The Primary Care Medicine and Public Health Training cluster (\$80 million) consolidates six programs. This program will fund comprehensive, flexible, and effective activities that will increase the number and enhance the quality of primary medical care providers and public health workers in order to meet National, State, and local health care needs.
- The Nursing Education Practice Initiatives cluster (\$70 million) combines six programs into three activities focusing on basic nurse training, advanced practice nurse training, and workforce diversity. It provides solid reinforcements to our continued efforts to help provide well-trained individuals in this key component of the health care workforce.

Services to Mothers and Children

In keeping with the Department's strong commitment to investing in programs which support Strong Foundations and Safe Passages for our Nation's children, the HRSA budget supports funding for several programs with the sole mission of improving the health of women of childbearing age and their children. These programs include the Maternal and Child Health Block Grant, a total program level of \$681 million; Healthy Start, a total program level of \$75 million; and the Title X Family Planning program, a total program level of \$198 million, an increase of \$5 million, or 3 percent, over FY 1996. The family planning program provides

services to approximately four million persons, primarily women and adolescents, in over 4,000 clinics nationwide. The funds will increase outreach to underserved individuals, place an emphasis on comprehensive reproductive health services, and focus on adolescent pregnancy and sexually transmitted disease prevention.

Other HRSA

For the remaining HRSA programs, total spending of \$238 million is proposed. This level will ensure sufficient funds are available to adequately fund rural health initiatives such as telemedicine, critical to assisting rural physicians in their daily practice, and internal HRSA initiatives such as technology improvements and workforce development to allow HRSA to continue to streamline its workforce and organization while maintaining a high level of service to the vulnerable populations it serves. In addition, this level will allow HRSA to keep its organ transplantation and Bone Marrow Donor programs viable.

HRSA OVERVIEW

(Dollars in millions)

	1995 <u>Actual</u>	1996 <u>Policy*</u>	1997 <u>Request</u>	Request <u>+/-Policy</u>
Ryan White	\$633	\$775	\$807	+\$32
Other AIDS Services	23	12	23	+11
Community Health Centers	757	756	757	+1
Health Professions Clusters:				
Workforce Development	124	115	117	+2
Enhanced Areas Health Education	48	42	35	-7
Minority/Disadvantaged	91	81	64	-17
Primary Care Medicine & Public Health	79	74	80	+6
Nurse Education	<u>59</u>	<u>56</u>	<u>70</u>	<u>+14</u>
Subtotal, Health Professions	\$401	\$368	\$366	-\$2
Maternal and Child Health Block				
Grant ..	\$684	\$681	\$681	\$0
Healthy Start	104	75	75	0
Family Planning	193	193	198	+5
Special Populations Cluster	17	12	8	-4
Rural Health Research	9	8	8	0
Rural Outreach ..	26	43	30	-13
Malpractice Databank	11	8	6	-2
Program Management	124	114	116	+2
Other Services ..	<u>60</u>	<u>46</u>	<u>47</u>	<u>+1</u>
Subtotal, Disc. Program Level ...	\$3,042	\$3,091	\$3,122	+\$31
Offsets ..	<u>-11</u>	<u>-8</u>	<u>-6</u>	<u>+2</u>
Total, BA	\$3,031	\$3,083	\$3,116	+\$33
FTE	2,010	2,010	2,010	0

* Based on levels of the ninth CR, including an incremental policy adjustment.